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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

S 1035/0024
TAX 3212

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October 20, 2009

Certified Return Receipt
7005 2570 0000 4801 6768

Mark Miller
11949 Hidden Canyon Lane
Sandy, Utah 84092-7190

Subject: Forfeiture of Reclamation Surety and Collection of Unpaid Fines, Mark Miller, Expectation Mine, S/035/0024, Salt Lake County, Utah

Dear Mr. Miller:

On March 17, 2007, the Division notified you by certified mail of the fines associated with cessation orders MC2006-03-04-01 and MC2006-03-13-01, and on November 16, 2007, you were notified that the Notice of Intention to Commence Small Mining Operations (NOI) for the Expectation mine was withdrawn and that reclamation was required. The site has not been reclaimed, and you have failed to pay the fines. The Division is taking the following actions:

1. The penalty amounts for cessation orders MC2006-03-04-01 and MC2006-03-13-01 are \$1320.00 and \$1760.00, respectively, for a total of \$3080.00. The Utah Division of Oil, Gas, and Mining requires payment of this final fine. Please send a check payable to Utah Division of Oil, Gas, and Mining at the following address:

Utah Division of Oil, Gas, and Mining
Attn: Minerals Program
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Utah Code Annotated Sections 40-8-9.1 and 40-8-9(4)(a) allows the Division to refer unpaid fines to the Utah Attorney General's Office for payment collection in district court. If you fail to pay the fine, or make arrangements with the Division to do so within 14 days of the date of this letter (November 3, 2009), the Division will refer this matter to the Attorney General's Office for injunctive and collection proceedings. This may result in additional penalties and a requirement that you pay attorneys' fees.

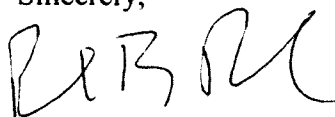


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2. In accordance with rule R647-3-112, the Division will seek forfeiture of the reclamation surety. The Division will also request an order from the Board of Oil, Gas and Mining for the Division to conduct reclamation. With approval from the Board, the Division will bring a civil action to recover the costs and expenses of reclamation, together with the costs of collection, including attorneys' fees. These costs are likely to exceed the amount in the reclamation surety.
3. As part of the reclamation process, the Division intends to remove the two trackhoes that are still on the site. This will be included as part of the civil action discussed under item 2 above.

If you have any questions, please contact me at 801-538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', with a stylized, cursive script.

Paul B. Baker
Minerals Program Manager